| 1  | A         | Yeah.  |
|----|-----------|--|
| 2  | Q         | Now, one final question, you have mentioned Ty Brown |
| 3  | in respon | se to some question from Mr. Topel and my question   |
| 4  | is, was T | y Brown hired by NMTV?                               |
| 5  | A         | Ty Brown was hired by TBN.                           |
| 6  | Q         | By TBN, he was not hired by NMTV.                    |
| 7  | A         | Not to my knowledge.                                 |
| 8  | Q         | And did Ty Brown provide legal advise to NMTV?       |
| 9  | A         | Not to my knowledge, it was to TBN because the       |
| 10 | question  | was, was TBN doing something wrong and illegal.      |
| 11 | Q         | And was it so he was never hired by NMTV.            |
| 12 | A         | Not to my knowledge.                                 |
| 13 | Q         | And is it your testimony that he was hired by        |
| 14 | Trinity?  |  |
| 15 | A         | That's my understanding.                             |
| 16 | Q         | And he did provide legal advise to Trinity?          |
| 17 | A         | Yes, sir.  |
| 18 | Q         | And is he continuing to provide Trin legal advise    |
| 19 | to Trinit | y to your knowledge?                                 |
| 20 | A         | No, sir, he made a conclusion and filed it with TBN  |
| 21 | and I don | 't think we have continued his                       |
| 22 |           | MR. COHEN: I have nothing further, Your Honor.       |
| 23 |           | JUDGE CHACHKIN: Do you all have anything?            |
| 24 |           | MR. SHOOK: Nothing, Your Honor.                      |
| 25 |           | JUDGE CHACHKIN: You're excused, thank you very       |

| 1  | much, Pastor.  |
|----|--|
| 2  | MR. HILL: Thank you so much, I'm glad. Now, I'd                |
| 3  | like to shake hands with everybody, I'm speaking in Houston at |
| 4  | thank you so much.   |
| 5  | JUDGE CHACHKIN: Looks like you'll be able to make              |
| 6  | it.  |
| 7  | MR. COHEN: I thought you'd go to Alaska if you got             |
| 8  |  |
| 9  | MR. HILL: No, I didn't get the \$1,000,000 offer.              |
| 10 | MR. COHEN: Oh.   |
| 11 | MR. HILL: And none of these are mine.                          |
| 12 | JUDGE CHACHKIN: No, it doesn't make any difference.            |
| 13 | MR. HILL: No, and old friend of mine is retiring               |
| 14 | tonight  |
| 15 | JUDGE CHACHKIN: Well, good luck.                               |
| 16 | MR. HILL: and as I to retiring that thank                      |
| 17 | you so much  |
| 18 | JUDGE CHACHKIN: The witness has been excused.                  |
| 19 | MR. HILL: I give you the best.                                 |
| 20 | JUDGE CHACHKIN: The witness has one of the exhibits            |
| 21 | with him, it's that letter written, I don't know if you wanted |
| 22 | to give it to him.   |
| 23 | MR. COHEN: Thank you, Your Honor, that's actually a            |
| 24 | copy, the witness's copy.                                      |
| 25 | MR. SHOOK: It's on the desk.                                   |

| 1  | MR. COHEN: I think it's on the desk.                           |
|----|--|
| 2  | MR. SHOOK: I can get it later                                  |
| 3  | (Tape change)  |
| 4  | JUDGE CHACHKIN: Please proceed. Let's go back on               |
| 5  | the record.  |
| 6  | MR. COHEN: Your Honor.   |
| 7  | JUDGE CHACHKIN: Yes.   |
| 8  | MR. COHEN: Just one minute to get the witness's                |
| 9  | testimony ready.   |
| 10 | JUDGE CHACHKIN: All right.                                     |
| 11 | (Off the record.)  |
| 12 | (On the record.)   |
| 13 | JUDGE CHACHKIN: Continue Mr. Schonman.                         |
| 14 | MR. SCHONMAN: Thank you, Your Honor.                           |
| 15 | Whereupon,   |
| 16 | PEARL JANE DUFF  |
| 17 | having previously been duly sworn, was recalled as a witness   |
| 18 | herein and was examined and testified as follows:              |
| 19 | CROSS EXAMINATION  |
| 20 | BY MR. SCHONMAN:   |
| 21 | Q Mrs. Duff, can we turn to Bureau Exhibit No. 276             |
| 22 | please, and that's a special meeting of TBN held on August 23, |
| 23 | 1989.  |
| 24 | A What's the   |
| 25 | JUDGE CHACHKIN: We'll go off the record                        |

| 1  | (On the record.)  |
|----|---|
| 2  | JUDGE CHACHKIN: TBN, yeah, all right, I'll just                 |
| 3  | take a statement into the record.                               |
| 4  | MR. SCHONMAN: Thank you very much. I'm sorry, I                 |
| 5  | wasn't oh.  |
| 6  | JUDGE CHACHKIN: All right, let's go back on the                 |
| 7  | record, let the record reflect that Mr. Cohen has given to the  |
| 8  | parties and the reporter copies of Glendale Exhibit 217 .       |
| 9  | Let's continue Mr. Schonman.                                    |
| 10 | BY MR. SCHONMAN:  |
| 11 | Q Mrs. Duff, do you have you before you Bureau Exhibit          |
| 12 | No. 276?  |
| 13 | A Yes.  |
| 14 | Q Did you attend this meeting?                                  |
| 15 | A I've been scanning this and it doesn't mention I              |
| 16 | don't think I see any place where I'm mentioned and             |
| 17 | Q Well, on page 2, it there's a reference to matter             |
| 18 | a matter involving NMTV and it was on that basis that I         |
| 19 | asked the question.   |
| 20 | A Um-hum. I don't remember being at this meeting, no,           |
| 21 | sir.  |
| 22 | Q Was there any formal action taken by NMTV's board             |
| 23 | requesting a loan from TBN in the amount of \$2,500,000 for the |
| 24 | Portland, Oregon facility?                                      |
| 25 | A I don't recall whether there was any specific if              |

| 1  | it was record in minutes or not, the record would have to    |
|----|--|
| 2  | stand for itself, I'm not sure, I don't have a recollection. |
| 3  | Q Moving on to Bureau Exhibit No. 277, why don't you         |
| 4  | take a moment to look at this, this is a letter to Albert    |
| 5  | Cooper dated September 7, 1989 regarding the Odessa station. |
| 6  | A Yes.   |
| 7  | Q Is that you signature on page 3 of the letter?             |
| 8  | A Yes, it is.  |
| 9  | Q Who prepared this letter, if you know?                     |
| 10 | A I believe it was Colby May's office, it looks              |
| 11 | because of the plain stationary, it leaves me a little bit   |
| 12 | I think it was Colby May's office that prepared the text.    |
| 13 | Q Are you able to explain why it's not on Colby May's        |
| 14 | letterhead?  |
| 15 | A No, I'm not.   |
| 16 | Q And this is a letter of intent to sell the Odessa          |
| 17 | station to Prime Time Christian Broadcasting, correct?       |
| 18 | A Yes.   |
| 19 | Q Who negotiated, if anyone, the terms of that are           |
| 20 | contained in this letter?                                    |
| 21 | A I did.   |
| 22 | Q You negotiated it directly with Mr. Cooper?                |
| 23 | A Yes.   |
| 24 | Q Did you receive any advise from anyone regarding the       |
| 25 | terms?   |

| 1          | A I did discuss it with the board and the consensus             |
|------------|---|
| 2          | was that we would sell the station for the reduced amount       |
| 3          | because if you recall, yesterday, there was the original        |
| 4          | offer was \$1,000,000 and there was a span of time where there  |
| 5          | wasn't any action. The Board of Prime Time had asked for the    |
| 6          | financials of Odessa and they came back with the a negative     |
| 7          | response to the original offer, you know, we wanted \$1,000,000 |
| 8          | and they said that they didn't think they could service the     |
| 9          | debt and then there was a span of time where the negotiations   |
| 10         | broke off completely and then we approached them later and      |
| 11         | offered them to offered to reduce the amount to our             |
| 12         | actually our barebone costs so at that point, their board       |
| 13         | decided that they would accept the offer and our board had      |
| L <b>4</b> | authorized me to do the negotiations with the guidelines but I  |
| L5         | interfaced with the Prime Time people. I also talked to Mr.     |
| L6         | Cooper's financial advisor during this period of time because   |
| L7         | he has questions about the financials of Odessa.                |
| 18         | Q Now, Mr. Cooper, as I understand it, had a                    |
| ١9         | relationship with TBN prior to this time?                       |
| 20         | A He has a station in Roswell, New Mexico and he has            |
| 21         | an affiliation agreement for air time with Trinity.             |
| 22         | Q So Mr. Cooper's station at that time, in September            |
| 23         | '89, already had a station that was broadcasting TBN            |
| 4          | programming?  |
| 5          | A That's correct.   |

| 1  | Q Now, did Mr. Cooper tell you where his company was         |
|----|--|
| 2  | going to come up with the \$650,000 to pay for this station? |
| 3  | A Yes, they were going to get the zip code                   |
| 4  | remunerations from their air time agreement with Trinity.    |
| 5  | Q So in other words, Prime Time was not going to pay         |
| 6  | NMTV for the station outright,                               |
| 7  | A No, they didn't have enough cash to but they were          |
| 8  | looking for income from the air time of the station.         |
| 9  | Q We can turn to Bureau Exhibit No. 281 and this is an       |
| 10 | office memo from George Murray to David Sumners, S U M N E R |
| 11 | S, dated October 5, 1989 and I realize, Mrs. Duff, that      |
| 12 | there's no indication that it was sent to you. My question   |
| 13 | is, have you ever seen this document before?                 |
| 14 | A I believe I have.  |
| 15 | Q When did you first see it?                                 |
| 16 | A Probably about the time the memo was sent.                 |
| 17 | Q Mr. Murray sent you a copy of it?                          |
| 18 | A I believe I either Mr. Murray sent me a copy or            |
| 19 | Mr. Sumners.   |
| 20 | Q Who is Mr. Murray?   |
| 21 | A Mr. Murray is the chief engineer for KTBN Channel          |
| 22 | 40.  |
| 23 | Q I'm sorry.   |
| 24 | A Chief engineer for KTBN Channel 40.                        |
| 25 | Q That's TBN's flagship station?                             |

| 1  | A Yes, sir, right.   |
|----|--|
| 2  | Q Who is David Sumners?  |
| 3  | A David Sumners is the senior accountant for the TBN           |
| 4  | accounting department.   |
| 5  | Q So this is an office memo from one TBN employee to           |
| 6  | another TBN employee.  |
| 7  | A Yes.   |
| 8  | Q It's an inter-TBN office memo.                               |
| 9  | A Yes.   |
| 10 | Q Now, it says in the letter I'm sorry, in the memo            |
| 11 | rather, "Dear Dave, the following equipment is being           |
| 12 | transferred" and I'm emphasizing the word transferred "to      |
| 13 | Channel 24, Portland." Do you know what is meant by the        |
| 14 | reference to the word "transfer"?                              |
| 15 | A That equipment, I believe, was donated to Portland           |
| 16 | by KTBN, it was some equipment that they had on hand that they |
| 17 | donated to Channel 4 24, Portland.                             |
| 18 | Q Was that a routine practice, donating equipment to           |
| 19 | an MTV station?  |
| 20 | A Well, I believe this at this particular time you             |
| 21 | couldn't say it was routine because I believe this is the      |
| 22 | first time it had ever happened.                               |
| 23 | Q Did it happen after this time?                               |
| 24 | A There might have been a few pieces that were donated         |
| 25 | after this time but I can't say exactly how many.              |

| 1  | Q Bureau Exhibit No. 282, that's an updated ownership          |
|----|--|
| 2  | report for NMTV accompanied by a transmittal letter from Colby |
| 3  | May to the FCC dated November 7, 1989. Do you have that        |
| 4  | before you?  |
| 5  | A Yes.   |
| 6  | Q Did you ask Mr. Colby May to prepare this?                   |
| 7  | A Yes.   |
| 8  | Q Is that your signature on page 2?                            |
| 9  | A Page 2 is  |
| 10 | Q It's the next it's   |
| 11 | A It's out of sequence, is it?                                 |
| 12 | Q No, no, page 2 comes after it's page 2 of the                |
| 13 | exhibit, Mrs. Duff.  |
| 14 | JUDGE CHACHKIN: Well, page 2 of the exhibit.                   |
| 15 | MRS. DUFF: Oh, well, I seem to be missing page                 |
| 16 | MR. SCHONMAN: No, no, page 2, from the                         |
| 17 | beginning of the exhibit, at the next page after that,         |
| 18 | after the letter of transmittal.                               |
| 19 | JUDGE CHACHKIN: It's the let the first page                    |
| 20 | right after the cover letter no, apparently this witness       |
| 21 | MRS. DUFF: It is not in my notebook.                           |
| 22 | JUDGE CHACHKIN: The apparently the page 2 is                   |
| 23 | missing from the notebook. Well, let me show you my notebook   |
| 24 | to move things along is that your signature?                   |
| 25 | MRS. DUFF: Yes, sir.   |

| 1  |            | BY MR. SCHONMAN:                                      |
|----|------------|---|
| 2  | Q          | Mrs. Duff, do you have pages 4 and 5, and the         |
| 3  | numbers a  | re written in at the bottom.                          |
| 4  | A          | Wait a minute yes.                                    |
| 5  | Q          | And now pages 4 and 5 identify Paul Crouch,           |
| 6  | yourself,  | Phillip Espinoza and Matthew Crouch as principals of  |
| 7  | NMTV.      |   |
| 8  | A          | Yes.  |
| 9  | Q          | Wasn't Charlene Williams also an office of NMTV at    |
| 10 | this time  | ?   |
| 11 | A          | I believe she was.                                    |
| 12 | Q          | Do you know why here name is admitted from this       |
| 13 | updated or | wnership report?                                      |
| 14 | A          | I'm sorry, I do not know.                             |
| 15 | Q          | And the purpose, as I understand it from Mr. Colby    |
| 16 | May's cove | er letter, is to correct a previously filed ownership |
| 17 | report, wa | as that your understanding?                           |
| 18 | A          | Yes.  |
| 19 | Q          | You can turn to Bureau Exhibit No. 283 and that's an  |
| 20 | affiliatio | on agreement dated December 4, 1989 for the Portland  |
| 21 | station.   | Mrs. Duff, on page 11, is that your signature?        |
| 22 | A          | Yes.  |
| 23 | Q          | We can turn to Bureau Exhibit No 284. This is an      |
| 24 | interoffic | ce memo to all station managers from Mrs. Duff dated  |
| 25 | December 5 | 5, 1989. Mrs. Duff, my question is well, strike       |

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| 1  | that. You'll notice as you go through pages 1 through 4 that   |
|----|--|
| 2  | there are two separate interoffice memos in this exhibit. My   |
| 3  | question for you is were interoffice memos like these, like    |
| 4  | the ones contained in this exhibit sent to both TBN stations   |
| 5  | as well as NMTV stations?                                      |
| 6  | A Yes, it would be my practice to do that.                     |
| 7  | Q We can turn to Bureau Exhibit No. 285, specifically          |
| 8  | page 5, is that your signature at the bottom of page 5?        |
| 9  | A Yes.   |
| 10 | Q And this is an application for a new low-power               |
| 11 | station in Stockton, California, is that correct?              |
| 12 | A Yes.   |
| 13 | Q Why did NMTV file an application for a new low-power         |
| 14 | station at Stockton?   |
| 15 | A We had an opportunity and we wanted to serve that            |
| 16 | community.   |
| 17 | Q Was Reverend Espinoza consulted about the decision           |
| 18 | to file an application for Stockton?                           |
| 19 | A It was a consensus of the board that we were to              |
| 20 | expand the low-power network every time there was an           |
| 21 | opportunity and I let David know regarding my research and let |
| 22 | him know what was available and he was in concurrence with     |
| 23 | those things that we had located that would be available.      |
| 24 | Q Did you advise Mr. Espinoza before or after the              |
| 25 | application was filed?   |

| 1  | A I would let him know prior to the time that we were          |
|----|--|
| 2  | filing so that he would know what we were going to do.         |
| 3  | Q Did you send him a copy of the application before it         |
| 4  | was filed?   |
| 5  | A No, I would not send him a copy.                             |
| 6  | Q Did you review this application before it was filed?         |
| 7  | A I believe I did.   |
| 8  | Q Would you turn to page 7? Now, this was filed in             |
| 9  | December 1989, page 7 identifies the officers and directors of |
| 10 | NMTV. To your knowledge are there any individuals missing      |
| 11 | from the persons who are there any individuals whose names     |
| 12 | should have appeared on this page?                             |
| 13 | A Yes, we should have included the officers and we did         |
| 14 | not.   |
| 15 | Q Matthew Crouch?  |
| 16 | A Yes, at this time  |
| 17 | Q Phillip Crouch?  |
| 18 | A I believe so.  |
| 19 | Q Charlene Williams?   |
| 20 | A I believe so, I'm not sure whether Phillip was still         |
| 21 | on at that time.   |
| 22 | Q Can you turn to page 9, please? This is a list of            |
| 23 | communities that NMTV intended to file applications for and my |
| 24 | question is, did NMTV, in fact, file applications for low-     |
| 25 | power stations in these communities?                           |

1 Without actually checking the record, I wouldn't be A 2 able to say with any degree of accuracy. It's been several 3 years ago and I'm not positive. Tell to -- I'm sure of 4 Sacramento and Portland, Maine. I believe we filed in 5 Columbia, South Carolina and Huntington but I don't think we got Stockton but I believe that we did file for each one of 6 7 those. 8 We can turn to Bureau Exhibit No. 286, the first 9 page of which is a fax cover sheet to Colby May from yourself 10 of a Trinity Broadcasting Network form and it's accompanied by 11 various cable carriage agreement forms. Now, on page 2, it's 12 a blank cable carriage agreement form and it appears that 13 someone has crossed out an address and written in the word 14 "Portland". Do you know who wrote that in? 15 I'm missing page -- oh, I'm sorry, you want me to 16 refer to page 2? 17 Q Correct. 18 A Okay, I have it. I don't know what that says, it's 19 lined through and I can't make it out either. 20 Q Well, I'm not asking you what was crossed out, I'm 21 asking you, do you know who wrote in the word "Portland", is 22 that your handwriting? 23 A Oh -- no, it doesn't look like my handwriting. 24 Well, look at page 3, does the -- can you tell -are you able to tell me whose handwriting it is, the word

| 1  | "Houston"?   |  |
|----|--|--|
| 2  | A No, I'm sorry, I'm not sure.                                 |  |
| 3  | Q Now, TBN had a page 4 is a appears to be a                   |  |
| 4  | copy of a cable carriage agreement form that TBN used, is that |  |
| 5  |  |  |
| 6  | A Yes.   |  |
| 7  | Q Am I right in assuming then that NMTV adopted TBN's          |  |
| 8  | forms?   |  |
| 9  | A Yes.   |  |
| 10 | Q Would you take a look at Bureau Exhibit No. 287?             |  |
| 11 | That's a handwritten letter from you to an individual by the   |  |
| 12 | name of Sherri, that is your signature?                        |  |
| 13 | A Yes.   |  |
| 14 | Q Who is Sherri?   |  |
| 15 | A Sherri, that's my secretary. She no                          |  |
| 16 | Q Is Sherri your daughter-in-law?                              |  |
| 17 | A Yes.   |  |
| 18 | Q What was   |  |
| 19 | A Excuse me, I'm not sure if this Sherri is I don't            |  |
| 20 | know why we would be writing this to her. I don't is says      |  |
| 21 | Sherri and my daughter-in-law's name is Sherri but I'm not     |  |
| 22 | sure that's what this, you know, was to her.                   |  |
| 23 | Q Was there do you know of any other Sherri who has            |  |
| 24 | worked with TBN or NMTV?                                       |  |
| 25 | A No, I'm just I just can't focus on who I'm why               |  |

| 1  | would I be writing this to her or whatever.                   |
|----|---|
| 2  | Q Well, in other words, you don't know what the reason        |
| 3  | of this what the purpose of this letter was?                  |
| 4  | A No, no.   |
| 5  | Q You have no recollection?                                   |
| 6  | A No, I don't.  |
| 7  | Q That it is your letter, though, it is your                  |
| 8  | handwriting?  |
| 9  | A Yeah, oh, yes.  |
| 10 | Q And your signature?   |
| 11 | A Yes.  |
| 12 | Q Can we turn to Bureau Exhibit No. 288? Mrs. Duff,           |
| 13 | could you did you advise Mr. McCleallan to write this         |
| 14 | letter to Mr. Crouch?   |
| 15 | A Mr. McCleallan and I had a discussion whereby it was        |
| 16 | clear to him that in order for him to accept the position at  |
| 17 | Portland as station manager that he would need to resign from |
| 18 | TBN because he would be employed by National Minority and he  |
| 19 | would no longer be a TBN employee.                            |
| 20 | Q I understand, did you tell him to write this letter         |
| 21 | to Mr. Crouch?  |
| 22 | A I don't remember specifically telling him to write a        |
| 23 | letter to Mr. Crouch, no.                                     |
| 24 | Q In not so many words, did you advise him to write to        |
| 25 | Mr. Crouch or advise Mr. Crouch?                              |

| 1  | A I don't remember specifically telling him to do           |
|----|---|
| 2  | that, no.   |
| 3  | Q Can we turn to Bureau Exhibit No. 289, please, the        |
| 4  | first page of which is a cover letter from Colby May to the |
| 5  | FCC dated December 19, 1989 and it's accompanied by an      |
| 6  | application for a fixed microwave radio service. And my     |
| 7  | question for you is, is that your signature on page 3?      |
| 8  | A Yes.  |
| 9  | Q Now, on page 4, it appears that Ben Miller was            |
| 10 | involved in preparing the engineering portion of this       |
| 11 | application, is that a safe assumption on my part?          |
| 12 | A Yes.  |
| 13 | Q Was he paid for his services in preparing the             |
| 14 | engineering portion of this application?                    |
| 15 | A No, he was not.   |
| 16 | Q We can turn to Bureau Exhibit No. 292, please. This       |
| 17 | is an office memo from Mark Fountain to Ben Miller dated    |
| 18 | January 10, 1990 involving the Portland station. Have you   |
| 19 | ever seen this office memo before, Mrs. Duff?               |
| 20 | A Yes.  |
| 21 | Q When did you first see it?                                |
| 22 | A Mr. Miller sent it to me at or about the time that        |
| 23 | it came to his attention.                                   |
| 24 | Q What was the purpose of this memo?                        |
| 25 | A Mark was wanting to let Ben know that he had worked       |

|considerable hours above and beyond the -- of the -- you know, | 1 the call of duty, so to speak and Ben passed this information 2 3 on to me and he recommended because of his direct knowledge of 4 Mark's service that he recommended that I might consider 5 giving Mark a bonus for his undying efforts to keep the station going and so forth. 6 7 Was that part of Mr. Miller's consulting duties, to 8 recommend awards for NMTV employees? 9 He -- Mark would -- he was a very shy person, very 10 reserved and he would not have come to me directly, you know, to toot his horn, so to speak, so I'm sure he let Mr. Miller 11 12 know thinking that Mr. Miller would recommend him since Mr. 13 Miller was the one who knew exactly what amount of work he had 14 been doing so I'm sure this why he sent the memo to them. 15 You didn't know the amount of work that Mr. Fountain 16 was doing? 17 A I wasn't aware of the specifics, I knew he was 18 working an awful lot of hours but I wasn't aware -- as much 19 aware as Mr. Miller would be as to the extra work that Mark 20 was putting in. 21 MR. SCHONMAN: We can move to Bureau Exhibit No. 22 293, and that's an annual meeting of NMTV on January 15, 1990. 23 JUDGE CHACHKIN: At the time that Mr. Fountain this 24 letter, Mr. McCleallan had already been installed as station 25 manager, was he not?

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| 1  | MRS. DUFF: Let's see, the yes, he would have                   |
|----|--|
| 2  | just been there a few days.                                    |
| 3  | JUDGE CHACHKIN: Can you tell me why Mr. Fountain               |
| 4  | would not be writing Mr. McCleallan, the station manager,      |
| 5  | rather than writing to a TBN employee?                         |
| 6  | MRS. DUFF: In the memo Mark indicates that he was              |
| 7  | referring to the time that he had spent between September and  |
| 8  | December and that would have included time prior to Mr.        |
| 9  | McCleallan coming to Portland so I could only it's just an     |
| 10 | assumption, that maybe that's why he didn't feel comfortable   |
| 11 | going through Mr. McCleallan.                                  |
| 12 | JUDGE CHACHKIN: And Mr. Miller referred this letter            |
| 13 | to you, I assume, this office memo to you, did he not?         |
| 14 | MRS. DUFF: I beg your pardon?                                  |
| 15 | JUDGE CHACHKIN: Mr. Miller referred this office                |
| 16 | memo to you, I assume.   |
| 17 | MRS. DUFF: Yes, he did.  |
| 18 | JUDGE CHACHKIN: But you did not refer this back to             |
| 19 | Mr. McCleallan who was the station manager or his attention, I |
| 20 | see.   |
| 21 | MRS. DUFF: Well, actually Mr. McCleallan would most            |
| 22 | likely have referred it to me had it come to his attention     |
| 23 | directly.  |
| 24 | JUDGE CHACHKIN: Why would that be?                             |
| 25 | MRS. DUFF: Because this would be something that                |

| 1  | would be extraordinary and he would not have the latitude to  |
|----|---|
| 2  | give a bonus, that would be something that he would bring to  |
| 3  | my attention, he wouldn't have had the authority to pay       |
| 4  | somebody a bonus.   |
| 5  | JUDGE CHACHKIN: So this matter was brought to the             |
| 6  | attention of the board of directors?                          |
| 7  | MRS. DUFF: It was brought to my attention because I           |
| 8  | as responsible for the day-to-day activities and interfacing  |
| 9  | with the station's management and so this is a matter that    |
| 10 | would have been brought to my attention. If I had thought it  |
| 11 | was a board matter, I would have taken it to the board but in |
| 12 | this case I did make the recommendation that the bonus be     |
| 13 | given.  |
| 14 | JUDGE CHACHKIN: And at that time you were wearing             |
| 15 | your hat at NMTV while working at TBN, is that                |
| 16 | MRS. DUFF: Yes, sir.  |
| 17 | BY MR. SCHONMAN:  |
| 18 | Q Mrs. Duff, you have before you Bureau Exhibit No.           |
| 19 | 293, the annual meeting of NMTV?                              |
| 20 | A 29 yes, sir.  |
| 21 | Q Okay, where was this meeting held?                          |
| 22 | A It was held in Tustin which would have been at TBN          |
| 23 | headquarters where my office was or is.                       |
| 24 | Q I know we're going back to January 1990, do you             |
| 25 | remember if this was held in the morning or the afternoon?    |

| 1  | A No, sir, I'm sorry, I don't know. I can't say.               |
|----|--|
| 2  | Q Do you want to take a moment to read through this            |
| 3  | the minutes of this NMTV meeting, perhaps something will help  |
| 4  | you there?   |
| 5  | A Okay. Yes.   |
| 6  | Q Is there anything in the minutes that would help you         |
| 7  | recall whether it was held in the morning or afternoon?        |
| 8  | A Per cent I suspect it might have even it most                |
| 9  | likely was I don't have any way to verify it for sure but      |
| 10 | it might have been in the afternoon because we would have had  |
| 11 | probably all the directors were there for the annual TBN       |
| 12 | meeting so that was generally the way we would do, we have the |
| 13 | meeting either later in the day or even the next day after the |
| 14 | TBN board meeting.   |
| 15 | Q Who prepared the minutes for NMTV's annual meeting           |
| 16 | in 1990?   |
| 17 | A The style of the minutes, it looks like Mr.                  |
| 18 | Juggert's style but I can't say with any real degree of        |
| 19 | accuracy.  |
| 20 | Q Now, I notice here that Charlene Williams has not            |
| 21 | been elected to continue as an officer, am I correct?          |
| 22 | A I don't see a reference to it?                               |
| 23 | Q Do you know why Charlene Williams was not elected to         |
| 24 | remain as an officer? And the same question for Phillip and    |
| 25 | Matthew Crouch?  |

| 1  | A No, I don't have an answer.                                 |
|----|---|
| 2  | Q Okay.   |
| 3  | A I'm sorry.  |
| 4  | Q You don't recall  |
| 5  | A No, I don't have a recollection.                            |
| 6  | Q Now, at the near the bottom of page 1, the last             |
| 7  | full paragraph, it said it says, "the board received a        |
| 8  | report regarding Midland Odessa. The station is broadcasting  |
| 9  | twenty-fours a day, Ms. Eve has been station supervisor since |
| 10 | April 1989." And that's Darlene Eve I would assume?           |
| 11 | A Yes.  |
| 12 | Q Now, it's my understanding that she had been made           |
| 13 | acting station manager in June 1989, is that your             |
| 14 | understanding?  |
| 15 | A Yes.  |
| 16 | Q Had something happened between June '89 and January         |
| 17 | '90 where she went from acting station manager to station     |
| 18 | supervisor?   |
| 19 | A I don't know whether there was a just the                   |
| 20 | terminology of I don't think there was a difference in the    |
| 21 | position, it was actually, perhaps, a change of title but her |
| 22 | duties were basically the same.                               |
| 23 | Q But there had been no formal board action changing          |
| 24 | her title?  |
| 25 | A I don't know I don't think it was a board action,           |

I don't have any recollection of it being a board action. 2 Would you turn back to Bureau Exhibit No. 263, 0 3 specifically page 2. 4 Α Yes. 5 And it says the position of acting station manager 6 has been assigned to Darlene Eve. 7 A Yes. 8 Did you send a similar memo to all staff when 9 Darlene Eve's title changed to station supervisor? 10 No, I don't believe I did. May I make a little A 11 clarification? The position of acting station manager -- what 12 I did was to -- there was always a ninety-day probationary 13 period and it was probably in that context that she was acting 14 until she went through the probationary period and then we 15 considered her the station supervisor after that. 16 Okay. Are you reconstructing or are you recording 17 that's what happened? 18 I'm really -- that is basically -- all employees 19 have to go through a ninety-day probationary period --20 Q Um-hum. 21 -- and this would have been the case. A 22 All right, we -- let's go back to Bureau Exhibit No. 23 293, those are the minutes of the 1990 annual meeting where we 24 were a moment ago and I'd like you to take a look at page 2. Actually, I'd like you to go back to page 1 and read the very

| 1  | last paragraph, "the board discussed the possibility", do you  |  |  |
|----|--|--|--|
| 2  | see that?  |  |  |
| 3  | A Yes.   |  |  |
| 4  | Q It continues onto page 2, and there's the sentence,          |  |  |
| 5  | the second sentence which states "the FCC limitation on        |  |  |
| 6  | stations was considered." Do you see that?                     |  |  |
| 7  | A Yes.   |  |  |
| 8  | Q Can you explain the discussion that involved the FCC         |  |  |
| 9  | limitation?  |  |  |
| 10 | A I don't have an accurate memory, I would have to             |  |  |
| 11 | just try to reconstruct. I don't have a specific memory of     |  |  |
| 12 | the discussion.  |  |  |
| 13 | Q Do you recall what was considered?                           |  |  |
| 14 | A It was most likely the possible sale of the station.         |  |  |
| 15 | I'm just thinking if this was the possible time-frame that we  |  |  |
| 16 | were thinking in terms of getting a larger market and thinking |  |  |
| 17 | that we would have to divest in order to for NMTV to           |  |  |
| 18 | acquire another larger station.                                |  |  |
| 19 | Q On page 2 in the paragraph that begins "It was               |  |  |
| 20 | moved", there's a reference to the corporation's objectives.   |  |  |
| 21 | A Yes.   |  |  |
| 22 | Q And I'd like to know what is meant by the phrase             |  |  |
| 23 | "corporation's objectives"?                                    |  |  |
| 24 | A Our purposes, our future plans.                              |  |  |
| 25 | Q What were the company's purposes and future plans at         |  |  |

| 1  | that time | 2?  |
|----|-----------|---|
| 2  | A         | At that time I believe we were considering the        |
| 3  | possibili | ty of a larger market.                                |
| 4  | Q         | Is that it?   |
| 5  | A         | Yes, sir.   |
| 6  | Ω         | Now, NMTV's 1990 annual meeting was held on the same  |
| 7  | day as TE | N's annual meeting in 1990, wasn't it?                |
| 8  | A         | I believe it was.                                     |
| 9  | Q         | And just to help you, if you turn to the next         |
| 10 | exhibit,  | 294, you'll see, Trinity's 1990 annual meeting and it |
| 11 | was held  | on January 15th. Do you remember attending this       |
| 12 | meeting,  | TBN's annual meeting?                                 |
| 13 | A         | Yes, I did.   |
| 14 | Q         | Did you attend the entire meeting?                    |
| 15 | A         | For the most part, I think I did.                     |
| 16 | Q         | Because I note that there appears to have been a      |
| 17 | morning a | ession and then on page 9, there is an afternoon      |
| 18 | session.  |   |
| 19 | A         | Yes.  |
| 20 | Q         | And on page 11 it appears to have to continued at     |
| 21 | dinner.   |   |
| 22 | A         | Yes.  |
| 23 | Q         | Does this help you at all as to when NMTV held its    |
| 24 | meeting?  |   |
| 25 | A         | I believe it was the next day.                        |

| 1  | Q          | The meeting was held on January 16th?                |
|----|------------|--|
| 2  | A          | Yes, in fact, I think I made reference to that when  |
| 3  | I looked a | at the minutes. At the top it said the 15th and then |
| 4  | in the fir | est paragraph it said 16, that's what made me think  |
| 5  | that it wa | as the next day.                                     |
| 6  | Q          | So it's just a typo at the top when it says January  |
| 7  | 15th?      |  |
| 8  | A          | I believe so.  |
| 9  |            | JUDGE CHACHKIN: All right, let's take a five-minute  |
| 10 | recess at  | this time.   |
| 11 |            | (Off the record.)                                    |
| 12 |            | JUDGE CHACHKIN: Back on the record. Go ahead, Mr.    |
| 13 | Schonman.  |  |
| 14 |            | BY MR. SCHONMAN:                                     |
| 15 | Q          | Mrs. Duff, can we turn to Bureau Exhibit No. 298,    |
| 16 | that's an  | office memo from Mark Fountain to Ben Miller dated   |
| 17 | March 14,  | 1990 about various matters. Why don't you take a     |
| 18 | moment to  | familiarize yourself with that? For the sake of      |
| 19 | assisting  | you, I think the first paragraph is about            |
| 20 | transmitte | er coolant.  |
| 21 | A          | Um-hum.  |
| 22 | Q          | But I'm not going to ask you questions about         |
| 23 | transmitte | er coolant.  |
| 24 | A          | Thank you.   |
| 25 | Q          | You're you've looked at it?                          |